

A Work Project, presented as part of the requirements for the Award of a Master Degree in Management from the NOVA - School of Business and Economics.

THE VALUE CREATION WHEEL APPLIED TO A FOOTBALL CLUB:  
FUTEBOL CLUBE DE AROUCA AND THE LOW NUMBER OF PAYING MEMBERS

MANUEL JOSÉ XAVIER PUERTA DA COSTA, 22394

A Project carried out on the Master in Management Program, under the supervision of:

Professor Luís Filipe Lages

January 04, 2019

## **The Value Creation Wheel applied to a Football Club: Futebol Clube de Arouca and the low number of paying members**

### **Abstract**

Futebol Clube de Arouca achieved one of the most amazing accomplishments in the history of Portuguese Football by ascending from the lower regional divisions to the First Portuguese Football Division in just seven seasons. However, the number of paying members in the club did not follow the club's growth, and so, this project intended to solve this problem by understanding the reasons behind it and presenting solutions that can tackle the challenge proposed. This project was addressed using the Value Creation Wheel (Lages, 2016) which was a crucial framework to reach the final solution of creating a Family Pack for members of Futebol Clube de Arouca. This pack gives families the possibility of having different benefits including discounted annual membership fees and lower prices on tickets and club related products.

**Keywords:** Value Creation, Marketing, Football, Digital Marketing

### **Members make the club!**

It was the middle of September and Futebol Clube de Arouca was about to start the fifth league match of the season. It was a sunny Sunday and the secondary team of S.C. Braga was the opponent club. Mr. Carlos Pinho (club's president) was enthusiastic because he truly believed that this could be the first home win of the season. He was looking to the box office and noticed that there were a lot of people in the line to buy a ticket for the match. Immediately commented to his son Mr. Joel Oliveira (club's Sporting Director) "those who pay the membership fee should not wait along with the others!". Mr. Pinho instantaneously thought "maybe this is one of the reasons why we have only 600 paying members" and replied to his father "we have to do something about this. Members make the club, and they are crucial for it to be successful".

After the match, both left the stadium and immediately contacted Mr. Paulo Cerqueira, director of the limited company that manages the club (SDUQ). They requested him to find a Consulting Team that could apply the Value Creation Wheel (Exhibit 1) to Futebol Clube de Arouca in order to understand what was causing this problem, and which solutions could be developed in order to tackle the low number of paying members of the club.

### **VCW Phase 1 – Discovering Value (TAP)**

#### **Macro environment – Football in Portugal**

Football is one of the most known sports in the world, and the most played in Portugal, being seen nowadays as a giant business that moves big amounts of money every year. The VCW team performed a PEST analysis to better understand the sport's context in Portugal (Appendix 1).

Followers and Supporters are the essence of football, without them it is difficult for a club to become a successful business. In Portugal there is a severe problem concerning fans

since most of them are members of one of the “Big 3” clubs (Appendix 2). This constitutes a very harsh challenge for smaller clubs like Futebol Clube de Arouca that need members to survive. Local people usually play a very important role regarding this issue as they are the ones that follow and support the clubs from the municipalities they are from. We can distinguish two main types of locals: those who support one of the “Big 3” clubs – Futebol Clube do Porto, Sporting Clube de Portugal and Sport Lisboa e Benfica - but are also followers of their local team and those who are fanatic and passionate exclusively for their local team (Exhibit 2).

Being a member of a football club can be very expensive, and many fans do not see the relationship with the club strong enough to be part of its community. Most of the Portuguese clubs offer match tickets discounts as main benefit, and so, those who do not often go to matches are not willing to pay an annual membership fee (refer to Appendix 3 and 4 to a detailed graphic of the most pointed reasons for not being a member of a football club).

### **Supporters vs. Followers**

Supporters are defined for being a group of people that have a long-lasting relationship and affinity investment with the club. This level of affiliation is showed by being present in club’s good and bad moments (Thornton, 1995), and enjoy active rivalries with other clubs (Armstrong & Giulianotti, 2001).

Followers differ from the first group in the sense that they are more connected to the club due to historical reasons. They are not part of a journey side by side with the club, and the relation is not as unbreakable as the one supporters have (Cohen, 1978).

## **Futebol Clube de Arouca – from 1952 to 2019**

F.C. Arouca is a sports club from the municipality of Arouca, in the district of Aveiro. It was founded in 1952, and in the beginning it was known as Ginásio Clube de Arouca. Besides having a professional football team, it also has many youth level teams, as well as a Futsal team. The club became well known in Portugal because it achieved one of the most rapid ascensions from the lower football league divisions to the Portuguese First Division in the history of Portuguese Football – from 2006/2007 to 2013/2014.

Nowadays, Arouca's First Football Team is on the Second Portuguese Division (Liga Ledman Pro) since last season (2017/2018), and is one of the Portuguese football professional clubs with the lowest number of members (Appendix 5). To summarize the club's strengths and weaknesses, and understand the opportunities and threats present in F.C. Arouca's context the VCW Team performed a SWOT analysis (Exhibit 3).

### **Kick Off Meeting: F.C. Arouca VCW Project**

In the end of September the Consulting Team met Mr. Pinho, Mr. Oliveira and Mr. Cerqueira in the club's headquarters in Arouca to discuss the project that was about to start. Beside the consulting team there were three F.C. Arouca's directors in the room. Those were the ones that understood there was a problem to be fixed, and so were the assigned to follow and take all the project concerned decisions. Mr. Cerqueira already knew the consulting team and was the one that initiated the explanation of what they wanted and expected with this work, and how they believed the Value Creation Wheel (VCW) could be the perfect match for this project. In order to make the club grow financially and sportingly it was crucial to attract new members, but this had been a huge and difficult challenge. Although there were some marketing efforts regarding this issue through regular posts on Facebook, Twitter and Instagram those were not sufficient to attract more people willing to pay annual fees to be part

of the club's community. Mr. Pinho added "We really believe in the future of the club, and this project, if well developed, can really make us grow as a sustainable business. There is a need for understanding our supporters, because they are different!". The Sporting Director, Mr. Oliveira replied "Different indeed. They have been supporting us since we were in the regional divisions!"

The three directors proposed the consulting team to do a deeper analysis regarding this problem and to find a solution to solve the challenge using the VCW meta-framework. There were defined the resources (Manpower, Minute and Money) and the KPI's for the project (Appendix 6 and 7).

### **Understanding the context of Futebol Clube de Arouca**

Futebol Clube de Arouca is part of this difficult context called Portuguese Football in which most of the football fans are a member of one of the "Big 3" clubs. However, F.C. Arouca has an even bigger challenge than most of the small clubs since it only reached a professional football league for the first time in 2010, and so Portuguese have not heard of the club up until recently. Moreover, most of those who live or used to live in the municipality of Arouca (local people) are sympathizers of F.C. Arouca (Appendix 8), but their main club and the one they support the most is one of the "Big 3" Clubs (Exhibit 4).

### **What are the conditions for F.C. Arouca's members?**

Adult members of F.C. Arouca pay an annual fee of 75€ which gives them discounts in match tickets and club-store products. The price for young people/students is lower than for the rest of the members – 40€ annually.

There is a season ticket which costs 125€ (including annual membership fees) and those who hold it have free tickets for all the League Home matches.

### Who are F.C. Arouca's followers and members?

We can identify five different types of relationships between F.C. Arouca's sympathizers and the club. Those were categorized in personas: "Lovers", "Supporters", "Followers", "Friends" and "Admirers", which are depicted in table below. What distinguishes them is the level of loyalty they have with the Futebol Clube de Arouca (refer to Exhibit 5 and 6 to see an overview of which club(s) do F.C. Arouca sympathizers support, and to Exhibit 7 for the level of loyalty of each persona).

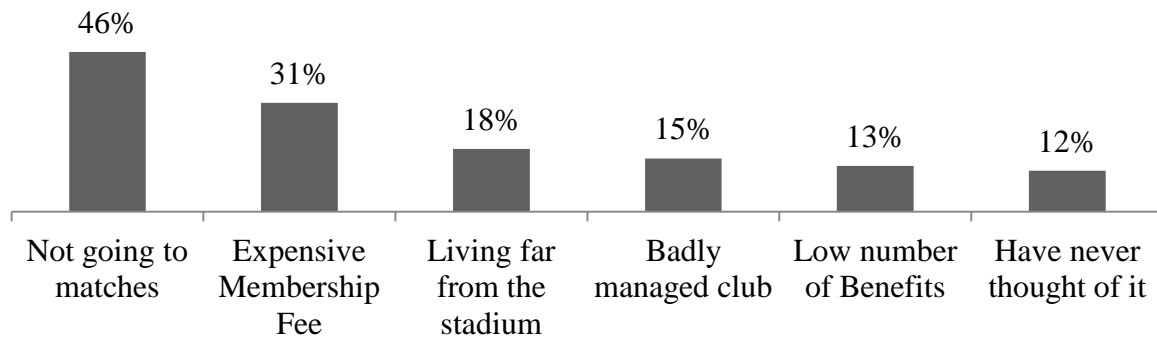
Relationship with Futebol Clube de Arouca	Member of F.C. Arouca	Affinity investment with F.C. Arouca	Connected but breakable relationship with F.C. Arouca	Connected but breakable relationship with one of the "Big 3" clubs	Affinity investment with one of the "Big 3" clubs
Lovers	X	X			
Supporters	X	X		X	
Followers			X		
Friends			X	X	
Admirers					X

### The reasons behind not being a F.C. Arouca's member

In this phase the VCW Team tried to understand what were the reasons that explain why someone who sympathizes with Futebol Clube de Arouca is not a member of the club. The most frequently pointed out reason by respondents was "Not going to the matches" which is explained by the low quality match experience and the fact that F.C. Arouca is not the main club they support. The others frequent pointed out reasons were the high prices of annual

membership fees, the long distance to the stadium, the lack of benefits that a member has and the dissatisfaction regarding the actual club's management decisions.

### **Reasons that explain why a F.C. Arouca's sympathizer is not a member**



Source: Survey conducted by the VCW Team

### **VCW Phase 2 – Create Value: Gather ideas and filters to increase the number of paying members of Futebol Clube de Arouca**

After deeply understanding the problem the VCW Team started to gather ideas/solutions (Phase 2a) that could help to solve the issue and to find criteria (Phase 2b) to filter those ideas.

Firstly through a Survey conducted online there were gathered 86 ideas and 7 filters from a total of 75 respondents, which included students from different backgrounds like Law and Health. However, since most of the people that answered the online questionnaire were from Management/Economics' backgrounds the team thought it could be interesting to gather ideas from students of a Sports' background, and so went to a class of Sports Organization at *Faculdade de Motricidade Humana* (FMH). There the team presented the project and gave 10 minutes to each young student individually to fill the paper they had in hands with possible ideas to solve the problem and criteria to filter those ideas – brainwriting exercise. It was specified that there were no good or bad ideas, and that they were incentivised to write every idea that came to their heads. This resulted in a final output of 30 ideas and 3 new filters.



The professor that invited the VCW team to be on his Sports Organization's class found the project very interesting and highlighted that was important to interview someone specialized in Consumer Behaviour that could analyze the challenge from a different perspective. And so, the team schedule a meeting with Mr. Omid Asgari that works at Nova SBE and is a specialist in Neurobranding. He stated that people like to feel that they are special and so suggested to create three different categories of membership fees. At the end of the interview there were gathered 3 new ideas and 3 new filters.

The team felt that the number of ideas and criteria could increase even more. After a meeting with Professor Luís Filipe Lages he showed himself available to have the project presented in his class of New Product Development in order to do another exercise of brainwriting. This session was a success. There were no Portuguese students in the class and so the ideas and filters were unbiased. Although the team had some struggle to explain the Portuguese Football Context and the challenge in hands, it was possible to gather 10 ideas and 10 filters.

Throughout some intensive research the VCW team gathered 36 new ideas and 14 filters. The Key Decision Makers were also part of the process contributing with 3 new ideas and 2 filters.

After this exhaustive process it was time to select, through the Poker Method, what ideas and filters were and were not clear. The Poker Method consists in a process of selecting clear and unclear ideas categorizing them in four different types: Keep, Kill, Review or Multiply (Lages, 2018) (Appendix 9). The team performed this revision, and reached a final list of 111 "keep" ideas and 41 "keep" filters. This was the result of a careful analysis to the solutions and filters gathered until this phase.

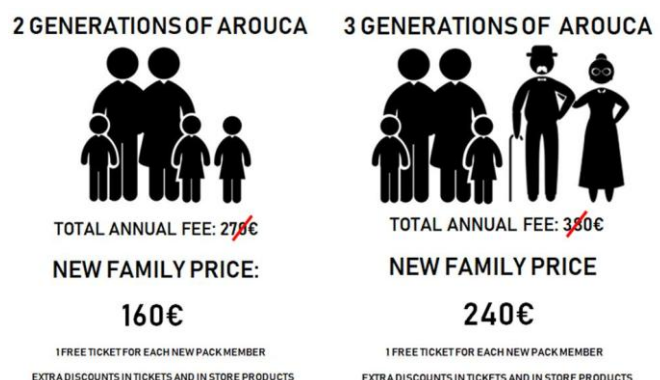
### VCW Phase 3 – Validate Value: Feedback from the Key Decision Makers

Key Decision Makers were crucial in this phase, being the ones responsible to identify the potential of each solution (Phase 3a) and filters (Phase 3b) that come from the previous phase (Lages, 2016). To make this phase extremely effective, the KDM were entitled to purify the solutions and filters using the Poker Method (Lages, 2018). In phase 3c the Key Decision Makers ranked the criteria so the VCW Team could filter the selected ideas in Phase 4a. The final list included 77 ideas and 6 filters (Appendix 11 and 12).

### VCW Phase 4 – Capture Value: The creation of a Family Pack for members

The final solution was very close to be found. The Value Creation Funnel (Phase 4a) was the tool used to filter the many solutions that were chosen by the KDM (refer to Exhibit 8 for an overview of the VCF and to Appendix 13 for a detailed look). With it the VCW Team

was able to exclude 72 of the 77 ideas, and reach 5 final solutions. The first one and the key to define the final concept (Phase 4b) consists in creating a Family Pack Membership. This gives discounted membership fees for families with 4 or



more members. Members can choose between two different plans: the first one called “3 Generations of Arouca” is suitable for various generations’ families. The second one is more suited for smaller families, and it is called “2 Generations of Arouca”. As there were four other ideas that went through the whole filtering process, the VCW Team together with the KDM decided to create a concept in which these four ideas complemented the Family Pack Membership. And so, besides including a discounted annual fee for each member that is part of a Family Pack, it offers three other benefits. The first one consists in the offering of a free

ticket for every new member that joins the Family Pack. Secondly, a member that is part of a Family Pack receives an extra discount on the club's store every time the team achieves a home victory. Finally, if at least four Family Pack's members go to more than 70% of the home league matches they all receive 2 free tickets each for two matches of the following season.

### **VCW Phase 5 – Consolidate Value: Marketing Plan**

In order to execute the concept referred in Phase 4b it was necessary to create a Marketing Plan. The VCW Team used the insights learned throughout the project to initiate the plan by developing a micro and macro analysis – SWOT and PEST. In order to have well-defined and clear goals for this campaign the VCW Team developed a 5S's model (Chaffey, 2012) which consists in creating smart objectives for the plan – Sales, Service, Speak, Saving and Sizzle.

Football fans are different from a regular consumer since their commitment to a sport team is “arguably unparalleled in other business or leisure sector” (Tapp and Clowes 2002:126). In order to do a more focused campaign the VCW Team used a Segmentation, Targeting and Positioning approach, in which it was defined that the target were married men with two or more children who were a “Follower” kind of persona.

Then, to translate the marketing planning into practice (Bennett, 1997) the team developed the marketing mix – Product, Price, Place and Promotion. Later, there were defined the 6 components for a comprehensive marketing communication strategy - 6M's Framework. (Refer to Exhibit 9 for an overview of the stated steps, and to Appendix 14-16 for the detailed plan).

## Decision Time

On the 9<sup>th</sup> of December 2018 the VCW Team travelled to Arouca to have the final meeting with the Key Decision Makers.

Before discussing the project itself, there was time to watch the match between Futebol Clube de Arouca and Varzim Sport Clube at *Estádio Municipal de Arouca*, in which the home team lost 0-1, but showed potential to do better. There was a high attendance but the atmosphere was cold and aggressive due to the bad recent results. The Key Decision Makers commented with the VCW Team “we really believe in this team. We have great players, and a good coach, but we have not been lucky”.

Then, the team presented the project to the Key Decision Makers which were happy with the solutions presented, but highlighted that there were once discounts for families. However, the VCW Team’s prototype was different and more creative compared to the previous Family Pack Membership, and besides this it matched all the criteria requested. So, the new concept of the Family Pack seemed a good solution to increase the number of paying members of the club but there were still details to discuss. Most of the Key Performance Indicators were achieved, and there was a feeling that the project had been a success.

The final decision was postponed to the 25<sup>th</sup> of January of 2019. By that time, the KDM should have a more clear vision for the next season, since is still an incognita if F.C. Arouca will remain in the Second Portuguese Division or not.

## Teaching Note

### Case Synopsis:

This case study intends to understand what is causing the problem of the low number of paying members of Futebol Clube de Arouca, and propose solutions that can tackle this challenge using the VCW Meta-Framework (Lages, 2016).

In the first phase of the project – Discovering Value – the challenge was clearly agreed with the Key Decision Makers, and there were defined the KPI's and 3M's for the project. In order to better understand the macro environment the VCW Team analyzed the Football Context in Portugal and understood that it is a very concentrated market in which most of the football fans are members either Futebol Clube do Porto, Sport Lisboa e Benfica or Sporting Clube de Portugal. Then, the VCW Team studied the micro context of Futebol Clube de Arouca by developing a SWOT Analysis and conducting different quantitative and qualitative research. This allowed the team to understand what were the main problems pointed out by club's followers for not being members.

The second phase of the project – Create Value – intended to gather the maximum amount of ideas/solutions for the problem from people of different backgrounds, and collect criteria to filter those ideas. This was made throughout 5 different sources: online surveys, in-person surveys, brainwriting exercises, interviews and research, and allowed the team to collect a high number of different answers. After performing the Poker Method which aims to select what are the clear and non-clear ideas the team presented 111 ideas and 41 filters to the Key Decision Makers.

In Phase 3 of the Project – Validate Value – the Key Decision Makers selected the ideas that better matched their expectations (Phase 3a) and made a selection (Phase 3b) and ranking (Phase 3c) of the proposed filters.

In the Phase 4a of the Project the VCW Team used the 6 criteria selected by the KDM to filter the 77 chosen ideas, using the Value Creation Funnel, and reached 5 final solutions which were then combined into the Final Concept (Phase 4b) – a Family Pack with discounted annual membership fees and aggregated benefits related to tickets and store promotions.

The final phase consisted in the creation of a Marketing Plan that better detailed the go-to-market Strategy. After performing, again, an internal and external analysis, the VCW Team defined the plan's objectives, the STP Approach and the Marketing Mix which mainly consisted in promoting this new pricing plan for families via online – publishing videos and images on Facebook, Twitter and Instagram – and offline – advertising through the stadium's speaker – channels. Besides this, it was developed a 6M's Framework at a General and Granulated Level, and an Implementation Plan.

### **Learning Objectives**

This case study can be object of discussion and analysis in courses related to Sports Marketing, Marketing Management, and Value Creation.

Depending on the context in which it is taught learning objectives may vary:

- To understand how to apply the Value Creation Wheel to a real life challenge;
- To understand the importance of Key Decision Makers in the process of creating value;
- To understand how to develop a marketing strategy to a very specific type of consumers – football fans.

### **Discussion Questions**

- 1. How did the Value Creation Wheel generated value in each phase of the project?**

2. **Based on the Case Study what were the factors that were causing the problem of the low number of paying members of F.C. Arouca?**
3. **Why are the KDM so important for a VCW project? How can Key Decision Makers' sloppiness can seriously harm and compromise the project?**
4. **Develop one Marketing Initiative for the solution "Three different price categories to members", considering there was an available budget of 2.000€:**
  - a. **Clearly define the 6M's at a general level;**
  - b. **Clearly define the 6M's at a granulated level.**

### **Recommended Readings**

Lages, Luís Filipe. 2016. "VCW - Value Creation Wheel: Innovation, Technology, Business and Society." *Journal of Business Research* 69(11): 4849-4855.

### **Discussion notes**

1. **How did the Value Creation Wheel generated value in each phase of the project?**

The project started with a small meeting between the VCW team and the KDM in which the challenge was clearly agreed. Also, there were defined the KPI's and the 3M's for the project. To better understand the challenge the VCW team took advantage of the fact that the Value Creation Wheel is a meta-framework and developed a PEST analysis and a survey to understand the context in which the club is inserted, and a SWOT to understand what were the main internal and external characteristics of the firm and of its micro environment.

In the second phase of the Value Creation Wheel, Create Value, there were involved stakeholders from different backgrounds to generate ideas and filters. This approach was so successful thanks to Luís Lages' framework which highlights that unbiased ideas and filters are only generated if there is the participation of internal and external stakeholders from

different field of studies and that may or may not have knowledge regarding the challenge's context. The contribution of devil's advocate was also very important for the development of this phase – “Law and Health [students]...”. Also, the VCW Team performed the Poker Method which intends to separate and differentiate ideas and filters in four categories: Validate, Eliminate, Refine, Multiply.

The third phase corresponds to the stage in which Key Decision Makers, through the Poker Method, select and refine the ideas (Phase 3a) and filters (Phase 3b) that better apply to the firm's context. Later, they are entitled to rank the filters from the most to the least important.

In the Phase 4a the VCW Team applied the Value Creation Funnel to the previously selected ideas using the criteria defined in Phase 3b. In the Phase 4b the final ideas were put together into a well defined concept.

Finally, the fifth phase implied the creation of a Marketing Plan which included different frameworks like the 5Ss Model, STP approach, 4P's and the 6M's Framework. The last step consists in the Key Decision Makers' decision – “Go”, “Not Go” or “Check”.

## **2. Based on the Case what were the factors that were causing the problem of the low number of paying members of F.C. Arouca?**

It is important to tackle this question by analyzing the external and the internal factors that are causing this problem.

Regarding the external factors it is crucial to refer that the Portuguese Football is a very concentrated market in terms of club's members as most support Sport Lisboa e Benfica, Futebol Clube do Porto or Sporting Clube de Portugal. This is the most important external factor and can be explained by a combination of different reasons that are not detailed in the



Case Study: these are among the oldest clubs in Portugal (Historical), these are the clubs that won more titles in Portugal (Performance), these are the clubs that had a bigger number of internationally known players, these are the clubs from the two biggest cities in Portugal (Geographical), these are the clubs that won more international titles (Performance), these are the clubs that put more players in the national team and by the fact that people are influenced for their family's football choices. Other less relevant external factors that can be referred are: the fact that football is a sport with many corrupt cases that were or are being investigated, the fact that F.C. Arouca is located in a region where there are many different football clubs, namely Futebol Clube do Porto, Clube Desportivo Feirense and Boavista Futebol Clube, and the fact that there was a financial crisis recently that still influences many Portuguese economies.

There are obviously internal factors that are impactful in the low number of paying members of F.C. Arouca. The first one to consider is the fact that the club's website is not working and so those who do not often go to Arouca cannot make themselves members. Secondly, there must be considered the high annual price to be a member of the club – the second highest annual fee among the clubs of the Second Portuguese League (taking into account the inherent benefits). Then, the benefits of being a member are almost non-existent – discounts on club's products and on match tickets. Also, the club lost its identity throughout the years and does not have any player from the club's academy or from the municipality of Arouca. Adding to these, F.C. Arouca still has a short history which makes difficult to create a generation to generation passion, and it is currently playing in the Second Portuguese Division which does not have match experiences as attractive as the First Portuguese Division. Lastly, the lack of transparency regarding management decisions has been contributing to this low number.

### **3. Why are the KDM so important for a VCW project? How can Key Decision Makers' sloppiness can seriously harm and compromise the project?**

An important characteristic of the Value Creation Wheel is the involvement of the Key Decision Makers in the value creation process. This is the only way to unleash the full potential of the VCW. They are the ones that better know the company and the industry in which the firm is, and who have the power to allocate the right resources and add a personal perspective to the project. Their tasks throughout the project may vary depending on the challenge and the company. They are crucial in the beginning of the project to define what is the problem they want to solve, and to align expectations with the VCW team. They define what the 3M's are, choose the KPI's for the evaluation of the project, and define the level of importance each one has for the company's future. In a more advanced phase of the project, they may contribute in the Poker Method, and more importantly they should select and rank the solutions and filters gathered by the VCW team accordingly to their views on the challenge that is being addressed. In the final phase of the project, the KDM should decide to "Go", "No go" or "Check" the solution presented by the VCW team.

Obviously, many firms hire consultants to develop a VCW project because they have a problem that want to be solved. However, many Key Decision Makers can neglect the work of the VCW team and prioritize their "normal" job instead. Many reasons can explain why some KDM do not give the right attention to the VCW project: lack of time, too much involvement or just aversion to change, but some may not understand how their sloppiness can transfigure the final solution. Firstly, the challenge addressed should be well thought and analyzed by the KDM, as a failure in this phase will harm the whole project, and will jeopardize the delivered solution. Secondly, the KDM should take some time to define what they expect from the project, and to develop KPI's. This is the only way to align expectations between the VCW Team and the client.

The project follow-up is vital for the motivation of the VCW Team. In order to develop a professional and competent project, there must be the right accompaniment by the client, such that when the VCW Team has some problem or is struggling to understand a task the client quickly helps to solve it. This is crucial for the team's motivation and consequently to the final project's result.

The third phase of the project implies a very committed and serious involvement by the Key Decision Makers. They are assigned to select the ideas and filters which in their understanding are clear and should be considered, and rank them from the most to the least important. This is a process that can take some time, but in which is very important that there is maximum dedication by the KDM, as this is the phase before the prototype and business plan creation. Delay on the delivery of the tasks can jeopardize the quality of the project.

Their involvement is lastly needed in the phase to decide if they should “Go”, “No-Go” or “Check” to the implementation of the final solution.

#### **4. Develop one Marketing Initiative for the solution “Three different price categories to members”, considering there was an available budget of 2.000€:**

##### **a. Clearly define the 6M's at a general level**

Mission: Futebol Clube de Arouca has one of the lowest number of paying members in the professional Portuguese football, and a high average member age, which may jeopardize long-term sustainability. As many of F.C. Arouca followers are also supporters of other clubs, the goal of this campaign is to attract new paying members by distinguish those who are true club's supporters and those who are simple followers through three different price categories. The campaign has also the objective to value the inhabitants of the municipality of Arouca, as many people argue that the club is no longer from the municipality.

**Market:** The main target of this campaign are the followers of F.C. Arouca, who may also support another football club, “Friends” type of persona, that like to watch football, but are not club’s members. The average actual member’s age is high and so, although there is not an age target, the campaign should focus on younger followers. The approach will focus on the consideration stage of the Consumer Decision Journey to influence subscriptions.

**Message:** The campaign will highlight that new lower prices have arose, and that it is very important for the club that those who are from Arouca and follow the club become members. Also, it should emphasize that those who choose to pay a higher price will have new benefits. The main message will be “New prices only for Arouquenses [inhabitants of the municipality of Arouca]”.

**Media:** To reach the target the campaign should be developed having into account the most used channels by young people – Instagram, Twitter, YouTube and Facebook. Display tools like native advertisements should be used to increase awareness. Also, the campaign should trigger word of mouth in order to spread across the municipality (e-WOM).

**Money:** Futebol Clube de Arouca has a very small annual budget, and the expected budget for marketing campaigns for 2019 is almost zero. However, this campaign can have an important financial impact in the short-medium term, and so it should be done an effort to implement it.

**Measurement:** To understand the success of the campaign there should be created a KPI a priori. So, the best way to measure the campaign’s efficiency is through the increase of the number of paying members.

#### **b. Clearly define the 6M’s at a granulated level**

**Initiative:** “We are Arouca. You are too! New prices just for you!”.

**Mission:** The goal of this campaign is to highlight the importance that *Arouquenses* have to the club and that new prices were created just for them. It intends to be set on the consideration phase of the Customer Decision Journey, and will be done by appealing to the emotional side of Arouca's inhabitants by emphasizing how the club values them.

**Market:** The main target of this campaign are people from the municipality of Arouca that follow the club but are not members – “Friends” type of persona. There is not an age target to be reached, but it is important that younger people join the community.

**Message:** The message of this campaign is “We are Arouca. You are too. New prices just for you” intends to emphasize that the relation between the club, the municipality and its inhabitants it is important, and that the club wants to value it by creating lower prices for inhabitants.

**Media:** This campaign will be done mainly through social media through Display tools and e-WOM. It is important to focus on Display as this are the most efficient tools in the Consideration Phase of the loyalty loop, and so, there will be created Native Advertising on Facebook. These ads will appear on the *Arouquenses*' feed, stating which are the new prices for members, and the new partnerships and benefits to be part of the club's community. Besides this, to create e-WOM, it will be posted an image in Instagram with the new members' conditions, and a draw associated to it – if one share the picture with the hashtag #SERAROUCA it is automatically signed up for a jersey's draw.

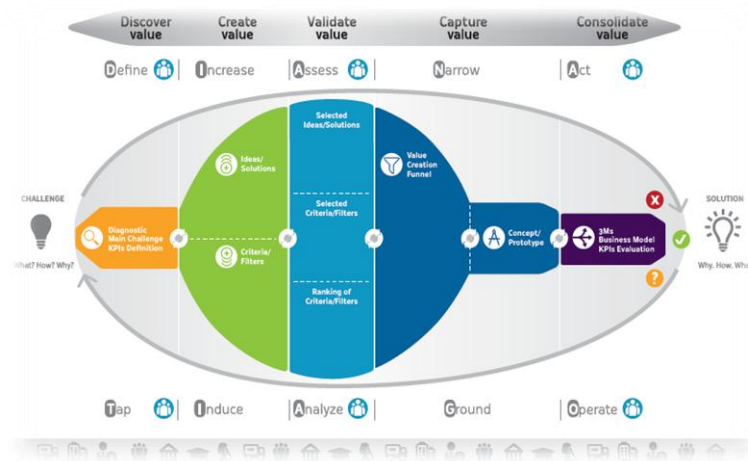
**Money:** F.C. Arouca's website is not working, and so there should be hired a freelancer to reactive the domain. This is important for the native advertising to work and will require an investment of 450€ for the creation. The native ad will have an average Cost per Click of 1.9€ and it intends to reach 1,300 people, which will amount to an estimated investment of 2.470€. Besides this, there should be hired a temporary designer to develop a

high-quality content campaign for Instagram, and to manage all the process associated to the draw and so it will imply an extra investment of 300€. So, in total, the club should do an investment of 3.220€, which is estimated to be covered in two years.

Measurement: To measure the impact of the campaign the most important KPI to follow is the increase in the number of members – 50 new members in the short term. It is also relevant to understand the average age range that becomes part of the community, but this would not be crucial to evaluate the campaign's success.

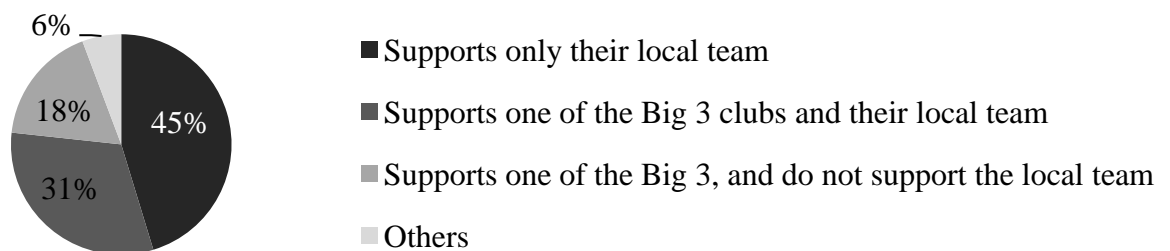
## Appendix

### Exhibit 1 – The Value Creation Wheel (VCW)



Source: Lages, Luís Filipe. 2016. “VCW - Value Creation Wheel: Innovation, Technology, Business and Society.” *Journal of Business Research* 69(11): 4849-4855.

### Exhibit 2 – Types of local supporters



Source: Survey conducted by the VCW Team

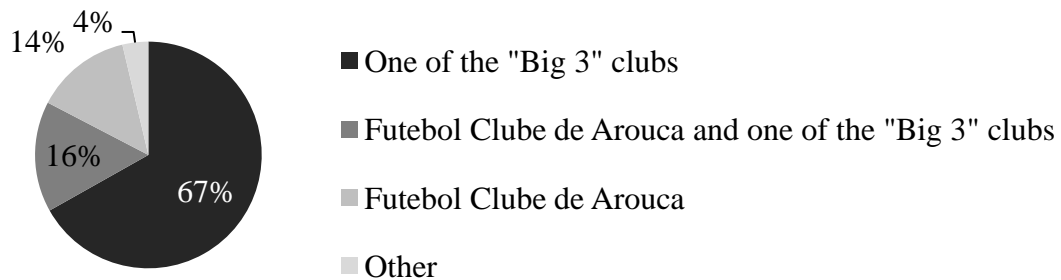
### Exhibit 3 – SWOT Analysis of Futebol Clube de Arouca

<p style="text-align: center;"><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• High Stadium Attendance in terms of percentage of the stadium's capacity occupied.</li> <li>• Only three players from the squad have a loan contract;</li> <li>• 3<sup>rd</sup> most valuable squad in the Second Portuguese Division (excluding B's squads);</li> <li>• Exploration of international markets to buy players – Brazil, England, Venezuela, Serbia, Belgium, Italy, France, Poland, Turkey and Mexico;</li> <li>• Stable administration – same president and vice-president since 2006;</li> <li>• Meteoric ascension from the non-professional leagues to the Portuguese First Division;</li> <li>• Extensive squad's length combining experienced players with younger ones;</li> <li>• High value sales in the past three seasons;</li> <li>• Most of the inhabitants of Arouca is a follower of Futebol Clube de Arouca.</li> </ul>	<p style="text-align: center;"><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• The club's website and Facebook Messenger are not working;</li> <li>• Futebol Clube de Arouca's Instagram Page is only the 23<sup>rd</sup> most followed among the 32 Portuguese professional clubs;</li> <li>• A lot of non-paying members;</li> <li>• One of the clubs in the Football Professional Leagues with the lowest number of Paying Members (600);</li> <li>• A lot of players in the last seasons left the club without F.C. Arouca receiving any financial compensation;</li> <li>• 41% of those who are followers of F.C. Arouca do not currently live in the club's municipality</li> <li>• There is no player in the squad produced by the club's youth academy;</li> <li>• No partnerships to create benefits for members</li> <li>• One of the most expensive annual membership fee</li> <li>• Only a few seasons in the professional leagues;</li> <li>• Most of the club's followers also support one of the Big 3 clubs;</li> </ul>
<p style="text-align: center;"><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Playing in the home field is an advantage for the home team;</li> <li>• Loaned players have been crucial for many teams in Portugal;</li> <li>• Most of the teams that achieved a League Promotion in the last few seasons had high squad's market value.</li> <li>• The most profitable sales of players in Portugal were of foreign.</li> <li>• Management Stability can be key to the success of a club;</li> <li>• The number of people buying tickets for sports events via online channels is increasing</li> <li>• Number of social network users in Portugal is increasing</li> <li>• The Purchasing Power of consumers in Portugal is increasing;</li> <li>• Football is the sport with more federated players in Portugal and this number has been increasing</li> <li>• Is going to be created a road link that eases the connection between Arouca and coast municipalities;</li> <li>• Mycujoo is an online platform that broadcast live games of lower football leagues</li> <li>• Tourism growing in the municipality of Arouca.</li> <li>• There are a lot of quality Portuguese coaches, who are becoming known worldwide;</li> </ul>	<p style="text-align: center;"><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Second Portuguese League is a very demanding, competitive and long Division.</li> <li>• It is forecasted that the differences between the "Big 3" Clubs' budget and the small clubs' budget increase in the next few years</li> <li>• The creation of B and Under-23 squads makes the task of small clubs to hire high-quality players even more difficult;</li> <li>• Arouca is located in a very concentrated region in terms of professional football clubs</li> <li>• There have been a lot of corruption cases in Portuguese football in the past few years;</li> <li>• "Big 3" clubs attract most of the talented youth players;</li> <li>• National media is focused on "Big 3" clubs;</li> </ul>

Source: Developed by the VCW Team

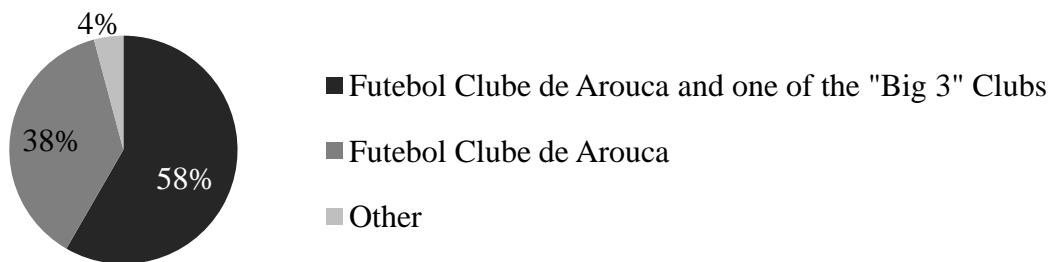


**Exhibit 4 – “Which football club do you support?” (Survey conducted only to people with some relation with the municipality of Arouca)**



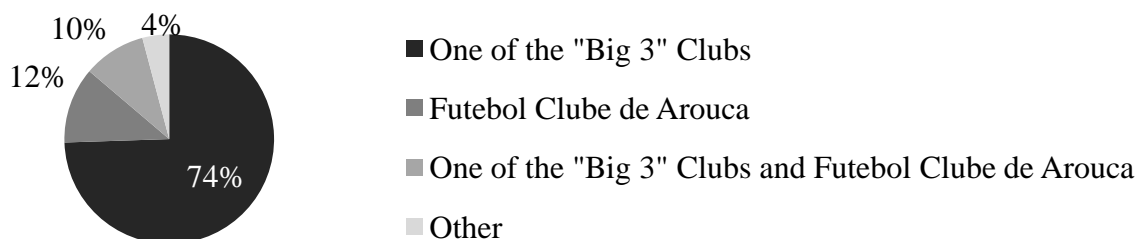
Source: Survey conducted by the VCW Team

**Exhibit 5 – Which clubs do F.C. Arouca’s members support?**



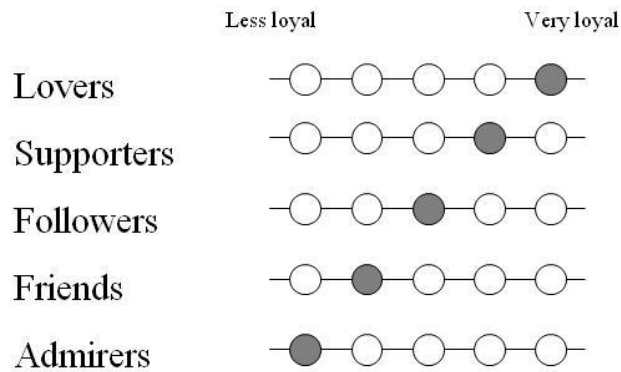
Source: Survey conducted by the VCW Team

**Exhibit 6 – Which club do F.C. Arouca’s sympathizers which are not members support?**



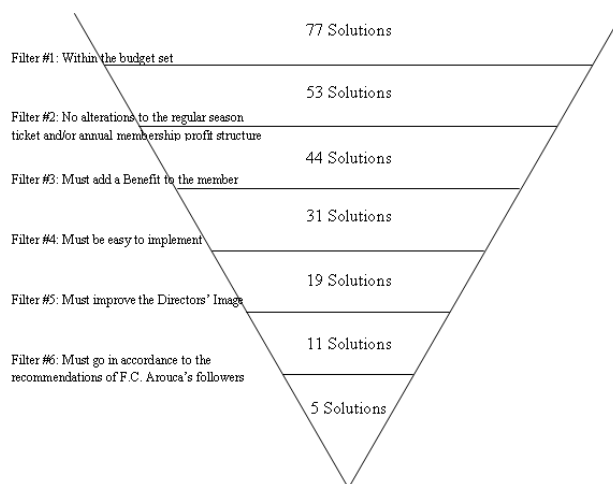
Source: Survey conducted by the VCW Team

### Exhibit 7 – Loyalty of the different type of personas



Source: Developed by the VCW Team

### Exhibit 8 – Value Creation Funnel



Source: Developed by the VCW Team

### Exhibit 9 – Overview of the Marketing Plan

#### 1. Understand Futebol Clube de Arouca's followers and their main pain points:

- F.C. Arouca is not most preferred club;
- Expensive annual membership fee;
- Bad Management's decisions;
- Distance relationship between the club and its followers;

- e. Low number of benefits for members.
- 2. Understand the Football Context in Portugal – PEST and SWOT Analysis;**
- 3. 5Ss Model – What objectives does this plan wants to achieve?;**
- 4. Segmentation, Targeting and Positioning:**
  - a. Segmentation: by type of relationship and loyalty with the club
  - b. Targeting: “Follower” persona; Male; Married; With more than 2 children; Not a member.
  - c. Positioning: Appealing to a family relationship between members and club.
- 5. Marketing Mix – 4P’s;**
- 6. Family Pack Campaign 6M’s Framework – General and Granulated level;**
- 7. Implementation Plan.**

Source: Developed by the VCW Team

## References

- Armstrong, G., & Giulianotti, R. (2001). *Fear and Loathing in World Football*. Oxford, United Kingdom: Berg.
- Bennett, A. (1997). The five Vs - a buyer's perspective of the marketing mix. *Marketing Intelligence & Planning*, 15, Issue: 3, pp. 151-156.
- Bonsanti, B. (2014). *Clubes precisam oferecer mais que um jogo para atrair o torcedor-consumidor*. Retrieved from <https://trivela.com.br/o-torcedor-nao-e-um-consumidor-comum-e-melhor-ainda/>
- Campos, João Pedro. (2018). *Receitas e despesas concentradas nos três "grandes" clubes*. Retrieved from Jornal de Notícias: <https://www.jn.pt/desporto/interior/receitas-e-despesas-concentradas-nos-tres-grandes-clubes-9210453.html>
- Celso Filipe. (2018). *Mycujoo, a tevê dos clubes pequenos tem sonhos grandes*. Retrieved from <https://www.jornaldenegocios.pt/empresas/tecnologias/detalhe/my-cujoo-a-teve-dos-clubes-pequenos-tem-sonhos-grandes>
- Chaffey, D. (2012). *eMarketing eXcellence: The heart of eBusiness*. Oxford, United Kingdom: Butterworth-Heinemann.
- CM. (2016). *Passadiços de Arouca vencem "Óscar do Turismo"*. Retrieved from <https://www.cmjornal.pt/boa-vida/destinos/detalhe/passadicos-de-arouca-vencem-oscar-do-turismo>
- Cohen, R. (1978). Ethnicity: Problem and focus in anthropology. *Annual Review of Anthropology*, 7, pp. 379-403.
- Dinheiro Vivo. (2017). *Salário médio dos portugueses aumentou 13 euros num ano*. Retrieved from <https://www.idealista.pt/news/financas/economia/2017/05/18/33471-salario-medio-dos-portugueses-aumentou-13-euros-num-ano>
- Filipe Paiva Cardoso. (2017). *Desigualdade fiscal: Outro obstáculo ao futebol português*. Retrieved from Dinheiro Vivo: <https://www.dinheirovivo.pt/empresas/desigualdade-fiscal-outro-obstaculo-ao-futebol-portugues/>
- Greenop-Gadsby, K. (2017). *The most important criteria for selecting a marketing automation system*. Retrieved from <https://www.smartinsights.com/lead-generation/marketing-automation/important-criteria-selecting-marketing-automation-system/>
- Lages, L. F. (2016). VCW - Value Creation Wheel: Innovation, Technology, Business and Society. *Journal of Business Research*, 69(11), 4849-4855.

- Lages, L. F., Fonseca, V., & Paulino, M. (2018). The VCW-Value Creation Wheel: A Framework for Market Selection and Global Growth. *Advances in Global Marketing*, pp. 253-279.
- Liga Portugal. (n.d.). Retrieved from <http://ligaportugal.pt/pt/paginas/conteudos/a-liga-hoje/>
- Lusa. (2013). *O trajeto meteórico do Arouca dos distritais à I Liga*. Retrieved from Diário de Notícias: <https://www.dn.pt/desporto/futebol-nacional/interior/o-trajeto-meteorico-do-arouca-dos-distritais-a-i-liga-3224824.html>
- Moreira, R. L. (2014). *Os programas de sócios torcedores como marketing de relacionamento dos clubes com sua torcida dentro do futebol: o caso Vasco da Gama*. Retrieved from <https://universidadedofutebol.com.br/os-programas-de-socios-torcedores-como-marketing-de-relacionamento-dos-clubes-com-sua-torcida-dentro-do-futebol-o-caso-vasco-da-gama/>
- OJOGO. (2018). *Liga critica Orçamento de Estado: "Só por distração terá deixado o futebol de fora"*. Retrieved from <https://www.ojogo.pt/futebol/noticias/interior/liga-critica-orcamento-de-estado-so-por-distracao-tera-deixado-o-futebol-de-fora-10013186.html>
- PORDATA. (2017). *Que autarquias gastam maior ou menor percentagem de despesas em cultura e desporto?* Database.
- Rádio Renascença. (2018). *Pedro Proença pede "outro tipo de atenção" do governo ao futebol*. Retrieved from <https://rr.sapo.pt/noticia/127093/pedro-proenca-pede-outro-tipo-de-atencao-do-governo-ao-futebol>
- Record. (2017). *Número de futebolistas federados em Portugal quase nos 145 mil*. Retrieved from <https://www.record.pt/futebol/futebol-nacional/detalhe/numero-de-futebolistas-federados-em-portugal-quase-nos-145-mil>
- Sapo Desporto. (2017). *Conselho de ministros aprova policiamento obrigatório*. Retrieved from <https://desporto.sapo.pt/futebol/primeira-liga/artigos/conselho-de-ministros-aprova-policiamento-obrigatorio>
- Sapo Desporto. (2017). *Liga e Sindicato fixam salário mínimo*. Retrieved from <https://desporto.sapo.pt/futebol/segunda-liga/artigos/liga-e-sindicato-de-jogadores-fixam-salario-minimo>
- Sefton Perry. (2012). *The European Club Footballing Landscape*. Benchmarking.
- Statista. (2015). *Portugal: number of social network users*. Market Report.
- Statista. (2018). *Event Tickets*. Market Forecast, Worldwide.
- Statista. (2018). *Sports & Outdoor*. Market Report, Portugal.
- Thornton, S. (1995). *Club cultures: Music, media and subcultural capital*. Cambridge, United Kingdom: Polity.

Tiago Palma. (2015). *Arouca. O clube de um homem só e de uma vila inteira*. Retrieved from Observador: <https://observador.pt/2015/08/28/arouca-o-clube-de-um-homem-so-e-de-uma-vila-inteira/>

*Transfermarkt*. (n.d.). Retrieved from [www.transfermarkt.pt](http://www.transfermarkt.pt)

Transfermarkt. (2018). *Liga NOS - Dados e Factos Liga NOS*. Retrieved from <https://www.transfermarkt.pt/primeira-liga/daten/wettbewerb/PO1>

Tribuna Expresso. (2018). *Volume de negócios do futebol português cresce 6%. Distribuição das receitas televisivas é desigual*. Retrieved from <https://tribunaexpresso.pt/atualidade/2018-06-07-Volume-de-negocios-do-futebol-portugues-cresce-6.-Distribuicao-das-receitas-televisivas-e-desigual>

VCW *Value Creation Wheel*. (2018). Retrieved from <http://www.valuecreationwheel.com>

zerozero.pt. (n.d.). Retrieved from [www.zerozero.pt](http://www.zerozero.pt)

## APPENDICES

### Appendix 1 – PEST Analysis to Football

<p style="text-align: center;"><b>POLITICAL</b></p> <ul style="list-style-type: none"> <li>• FPF is the entity that regulates football in Portugal and it is guided by UEFA's Licensing and Financial FairPlay Regulations.</li> <li>• The state department of Youth and Sport is the responsible for the executive policies in the area of Sports.</li> <li>• The Portuguese League of Professional Football is the entity that is entitled to organize and regulate the competitions of professional nature – Liga NOS, Liga Ledman Pro and Allianz Cup.</li> <li>• IPDJ is a public entity whose mission is to support the definition, execution and evaluation of the public policy regarding sports,</li> <li>• There are some football professional clubs in Portugal which stadium is owned by the municipality.</li> <li>• Recently, the VAT for live events has decreased to 6% (instead of 23%). However, this has not changed for football tickets which brought a lot of dissatisfaction to different football entities.</li> <li>• In 2013, the government issued a decree that said that every professional football event must have policing. In 2015, in average, each First Professional Football League club spent 2.5 million Euros.</li> <li>• Portuguese tax environment limits the power of Portuguese clubs to attract better players when compared to other countries in Europe.</li> <li>• To decrease the number of violent episodes that been happening in Portugal in the past few years the Portuguese Government approved the creation of an Authority to Prevent and Combat Violence in Sport.</li> </ul>	<p style="text-align: center;"><b>ECONOMIC</b></p> <ul style="list-style-type: none"> <li>• The average price per ticket to a football match in Portugal is among one of the highest in Europe, even surpassing Germany.</li> <li>• The total expenses of all the Portuguese Municipalities regarding sports activities have been increasing since 2015.</li> <li>• The Portuguese League of Professional Football established maximum prices of tickets sold to non-members.</li> <li>• There is a minimum monthly net salary for those who play in the Second League of Professional Football fixed in 1.75 times the Minimum Monthly Wage for Portuguese workers in general. From 2013 to 2015, the monthly average wage of a player of the First League of Professional Football, increased by almost 5%.</li> <li>• The construction of the Paiva's Footbridge in Arouca brought a lot of tourists to the region.</li> <li>• Average Monthly Salaries in Portugal are increasing since 2014.</li> <li>• According to a survey conducted by the consulting team, many of the interviewed were not members of their favourite club due to financial reasons – high prices of memberships or low/no monthly salary</li> <li>• The number of students enrolled in a university in Portugal is increasing since 2016.</li> <li>• Number of employees in the sports industry in Portugal is increasing since 2012.</li> </ul>
<p style="text-align: center;"><b>SOCIAL</b></p> <ul style="list-style-type: none"> <li>• 69% of those who are members of a football club are from one of the "Big 3" clubs.</li> <li>• Most of the people that were born in Porto is a Futebol Clube do Porto's supporter. On the other hand, most of the people that was born in Lisbon is whether a Sport Lisboa e Benfica's or Sporting Clube de Portugal's supporter.</li> <li>• Most of the Portuguese is a supporter or a follower of his/her local team</li> <li>• The most frequent reason pointed out for not being a member of the favourite club is monetary reasons.</li> <li>• The most frequent reason pointed out for not being a member of the favourite club is the not enough strong connection.</li> <li>• There is a low occupation rate of stadiums.</li> </ul>	<p style="text-align: center;"><b>TECHNOLOGICAL</b></p> <ul style="list-style-type: none"> <li>• In the season of 2017/2018 it was implemented the Video Assistant Referee in the First League of Professional Football;</li> <li>• MyCujoo is a tool implemented in the beginning of the season of 2018/2019 that intends to transmit matches from lower football divisions;</li> <li>• Football Clubs are increasing their investment in Digital Marketing in order to attract more fans and members. This has been done through active social networks and through the creation of mobile apps that allow fans to follow the team's results;</li> <li>• In some stadiums there is an online service available to order food without getting out of your seat.</li> </ul>

Source: Developed by the VCW Team

References:

Celso Filipe. “Mycujoo, a tevê dos clubes pequenos tem sonhos grandes.” 2018. <https://www.jornaldenegocios.pt/empresas/tecnologias/detalhe/my-cujoo-a-teve-dos-clubes-pequenos-tem-sonhos-grandes>.

Dinheiro Vivo. “Salário médio dos portugueses aumentou 13 euros num ano.” 2017. <https://www.idealista.pt/news/financas/economia/2017/05/18/33471-salario-medio-dos-portugueses-aumentou-13-euros-num-ano>.

Filipe Paiva Cardoso. “Desigualdade fiscal: Outro obstáculo ao futebol português.” *Dinheiro Vivo*. 2017. <https://www.dinheirovivo.pt/empresas/desigualdade-fiscal-outro-obstaculo-ao-futebol-portugues/>.

Liga Portugal. <http://ligaportugal.pt/pt/paginas/conteudos/a-liga-hoje/>.

OJOGO. “Liga critica Orçamento de Estado: “Só por distração terá deixado o futebol de fora.” 2018. <https://www.ojogo.pt/futebol/noticias/interior/liga-critica-orcamento-de-estado-so-por-distracao-tera-deixado-o-futebol-de-fora-10013186.html>.

PORDATA. “Que autarquias gastam maior ou menor percentagem de despesas em cultura e desporto?” Database, 2017.

Rádio Renascença. “Pedro Proença pede “outro tipo de atenção” do governo ao futebol.” 2018. <https://rr.sapo.pt/noticia/127093/pedro-proenca-pede-outro-tipo-de-atencao-do-governo-ao-futebol>.

Sapo Desporto. “Conselho de ministros aprova policiamento obrigatório.” 2017. <https://desporto.sapo.pt/futebol/primeira-liga/artigos/conselho-de-ministros-aprova-policiamento-obrigatorio>.

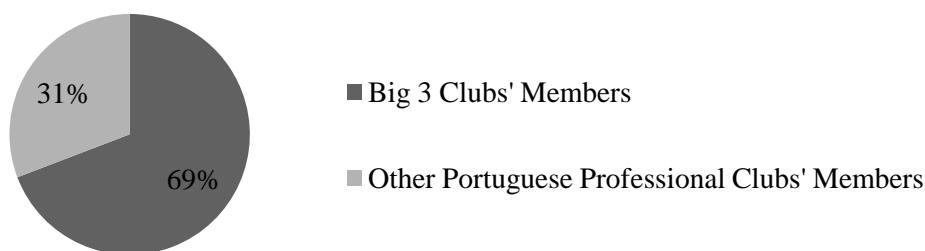
—. “Liga e Sindicato fixam salário mínimo.” 2017. <https://desporto.sapo.pt/futebol/segunda-liga/artigos/liga-e-sindicato-de-jogadores-fixam-salario-minimo>.

Statista. “Event Tickets.” Market Forecast, Worldwide, 2018.

Transfermarkt. “Liga NOS - Dados e Factos Liga NOS.” 2018. <https://www.transfermarkt.pt/primeira-liga/daten/wettbewerb/PO1>.

## Appendix 2 – Percentage of members of the Big 3 Clubs and Other Professional

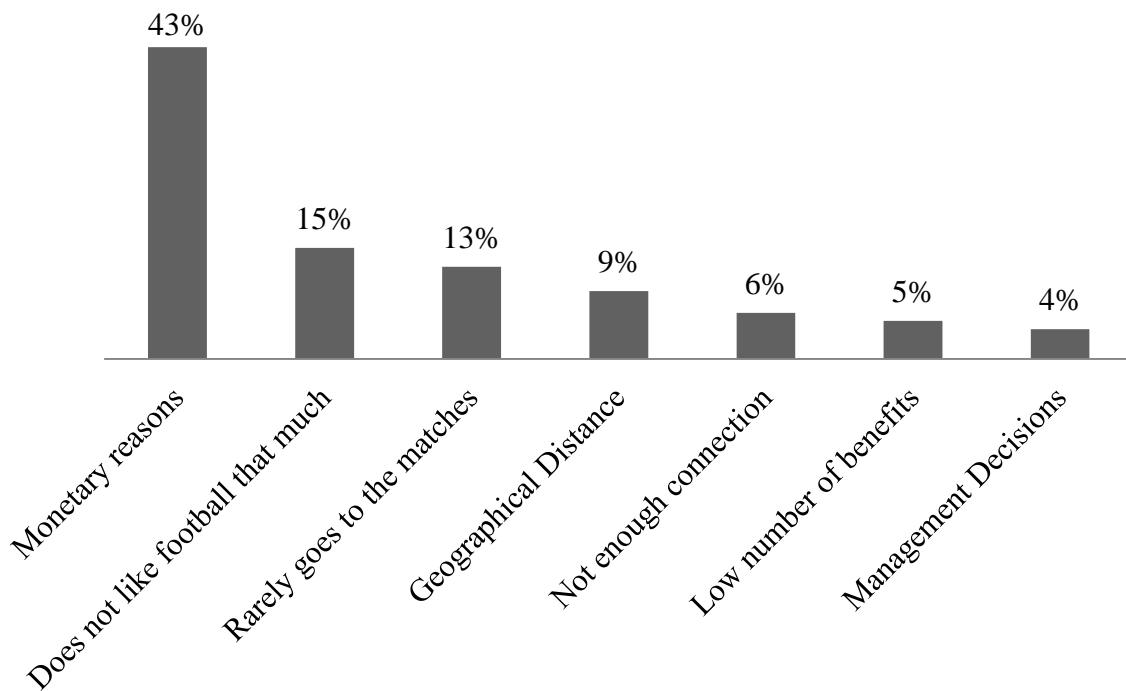
### Portuguese Clubs



Source: Transfermarkt. “Liga NOS - Dados e Factos Liga NOS.” 2018. <https://www.transfermarkt.pt/primeira-liga/daten/wettbewerb/PO1>.

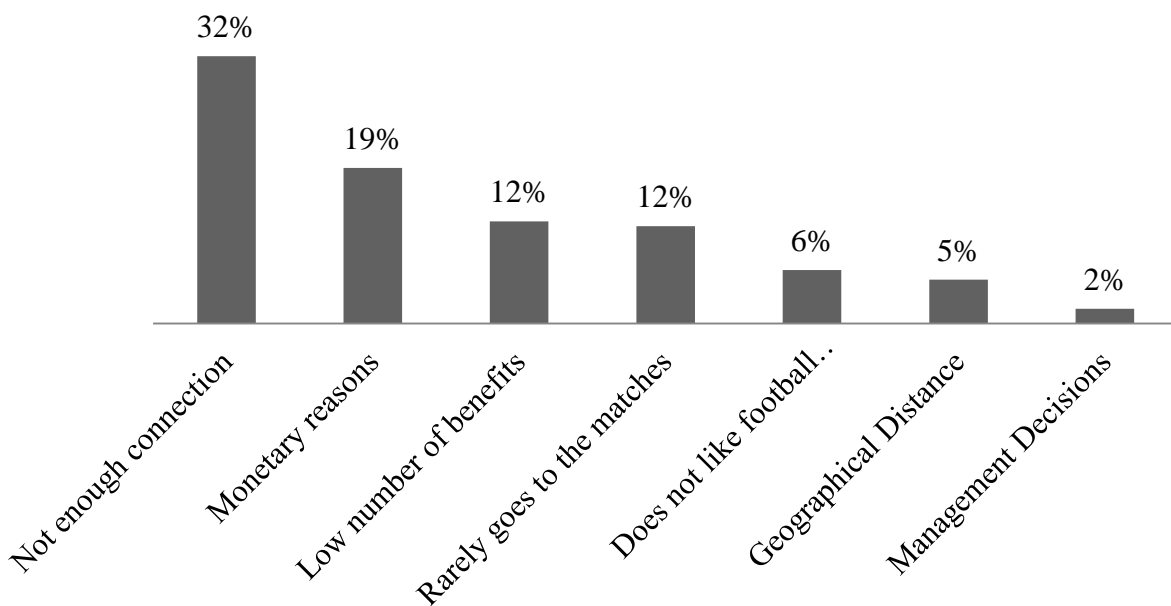


### Appendix 3 – Reasons pointed out for not being a member of the favourite football club



Source: Survey conducted by the VCW Team

### Appendix 4 – Reasons pointed out for not being a member of the other club supported/followed (local team mostly)



Source: Survey conducted by the VCW Team

### Appendix 5 – Number of members of the Portuguese Football Professional Clubs

<b>PORTUGUESE FOOTBALL PROFESSIONAL CLUBS</b>	<b>Members</b>
S.L. Benfica	184264
Sporting C.P.	160000
F.C. Porto	127066
Vitória S.C.	26827
S.C. Braga	30000
Boavista F.C.	25000
Associação Académica de Coimbra	21000
Vitória F.C.	16400
C.S. Marítimo	10000
C.F. “Os Belenenses” SAD	8500
Leixões S.C.	7500
F.C. Famalicão	6500
Varzim S.C.	6130
Académico de Viseu F.C.	5690
G.D. Chaves	5000
U.D. Oliveirense	5000
F.C. Penafiel	4074
C.D. Feirense	4000
C.D. Nacional	3600
Portimonense S.C.	3200
S.C. Covilhã	3000
F.C. Paços de Ferreira	3000
C.D. Santa Clara	3000
G.D. Estoril Praia	3000
Rio Ave F.C.	2500
C.D. Aves	2400
C.D. Tondela	2000
C.D. Cova Piedade	?
S.C. Farense	?
C.D. Mafra	?
Moreirense F.C.	2000
<b>Futebol Clube de Arouca</b>	<b>600</b>

Source: *Transfermarkt*. (n.d.). Retrieved from [www.transfermarkt.pt](http://www.transfermarkt.pt)

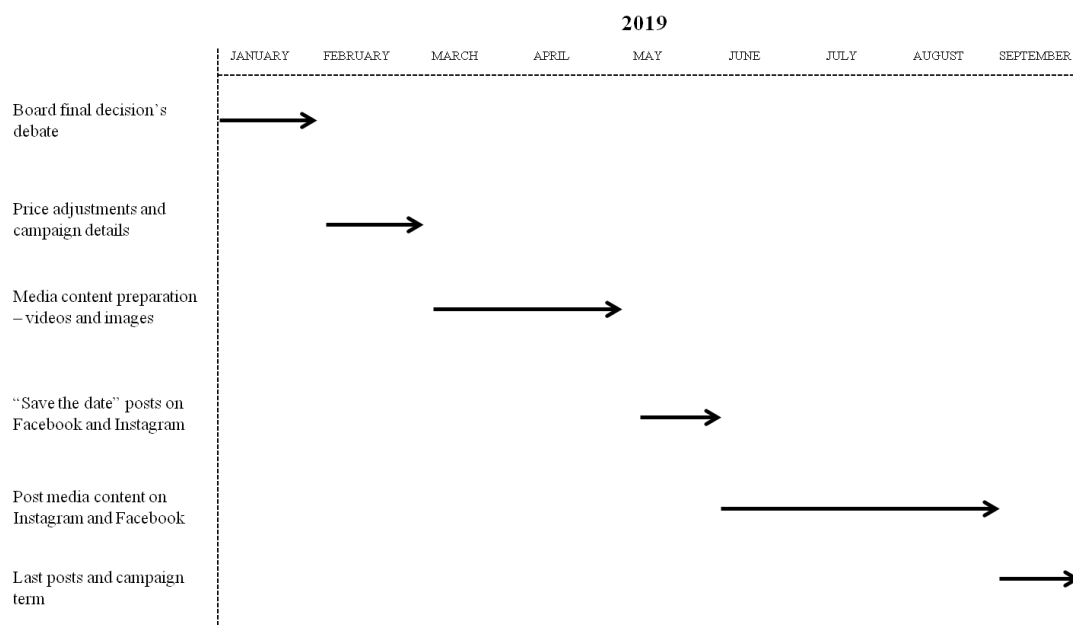
## APPENDIX 6 – 3M's (Manpower, Minute and Money)

### Manpower:

Key Decision Makers are crucial in the decisions regarding the details of the campaign, and in the supervision of the project starting in January.

Due to the very low annual budget of Futebol Clube de Arouca this campaign will be strictly managed by the Marketing Manager of the club. The assigned tasks concern the creation of the media content – videos and images promoting the new Family Pack – and its publication on Social Media (Facebook, Twitter and Instagram's F.C. Arouca page).

### Minute:



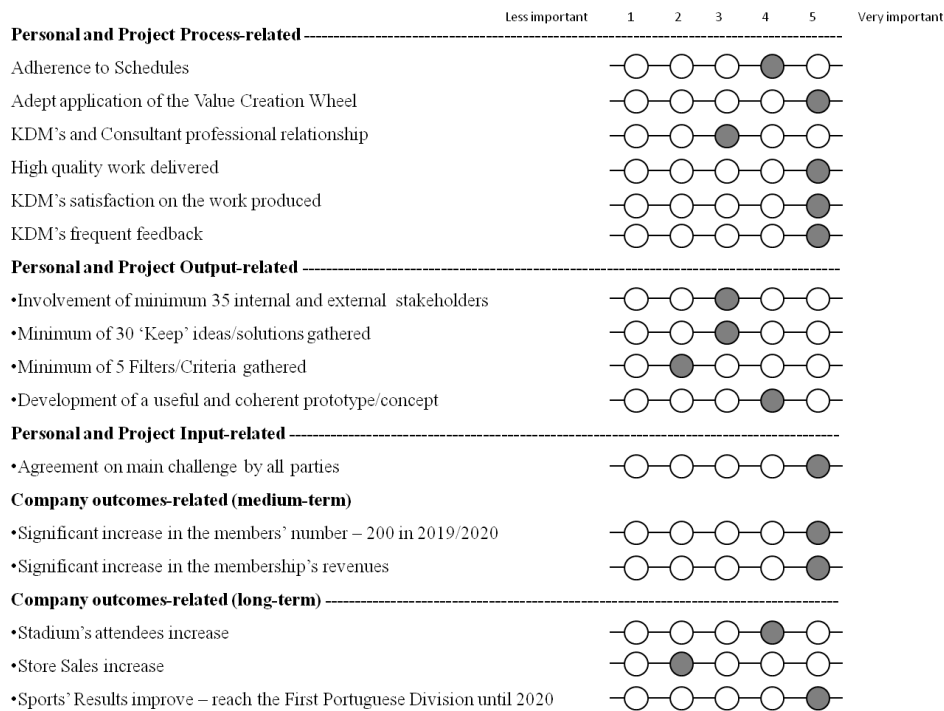
### Money

The budget allocated by the Key Decision Makers to this project is very limited due to the financial constraints that the club has.

The VCW Team believes that high quality content can be crucial for a successful marketing campaign, and so believes that hiring a graphic designer student for an internship could be of good value added, however this has to be discussed with the KDM.

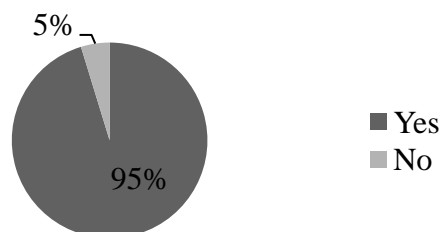
Source: Developed by the VCW Team

## Appendix 7 – Key Performance Indicators



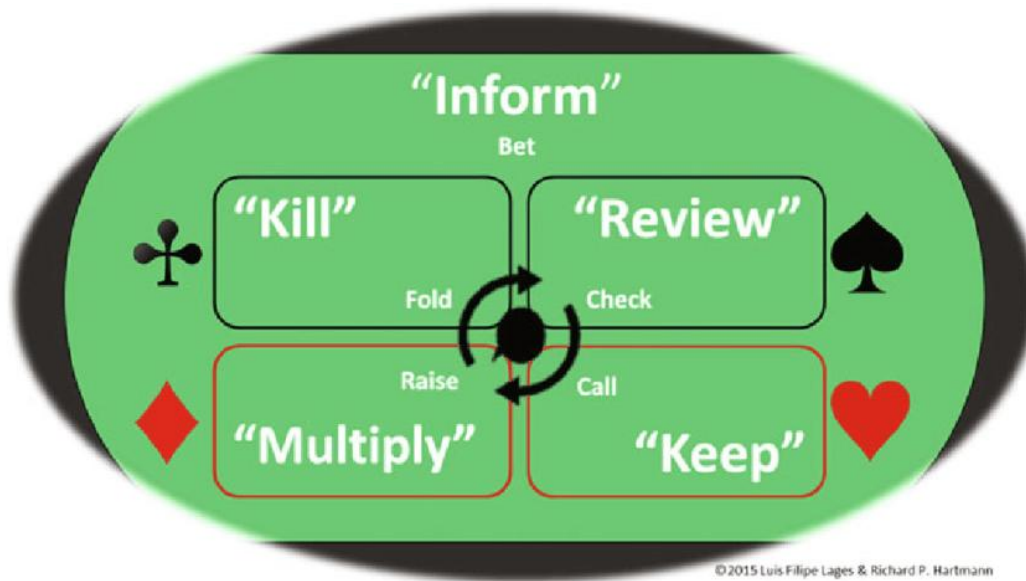
Source: Developed by the VCW Team

## Appendix 8 – “Are you a sympathizer of Futebol Clube de Arouca?” (Survey conducted only to people with some relation with the municipality of Arouca)



Source: Survey conducted by the VCW Team

## Appendix 9 – Poker Method



Source: Lages, Luis Filipe & Fonseca, Vânia & Paulino, Miguel. (2018). The VCW-Value Creation Wheel: A Framework for Market Selection and Global Growth. 10.1007/978-3-319-61385-7\_11.

## Appendix 10 – TOWS Analysis

### STRENGTHS AND OPPORTUNITIES

**How can you use your strengths to take advantage of the opportunities?**

- F.C. Arouca should continue to attract fans to the stadium as in Portugal, in average, playing in the home field can be very advantageous for the home team;
- Although not having loaned players may improve financial sustainability, in the past few years there have been a lot of successful cases of loaned players in Portugal and so the club should take this into account;
- Having one of the most valuable squads in the Second Portuguese Division, F.C. Arouca should try to take the most of the players and follow the trend of the last few years that says that one of the most valuable teams of the league gets promoted;

- Futebol Clube de Arouca should continue the investment in foreign markets as it has been very profitable for the club, financially and sportingly;
- The stability of the management direction of the club was one of the reasons for the meteoric ascension from the lower league divisions to the professional leagues.

## **STRENGTHS AND THREATS**

### **How can you take advantage of your strengths to avoid real and potential threats?**

- The experience of older players, combined with the energy of younger players and the squad's length can be crucial to well-perform in the long and exhaustive Second Portuguese League;
- The financial differences between Big 3 and Small clubs have been increasing. Besides this, Big 3 clubs created B and Under-23 teams and so they retain the most of the Portuguese Youth talents. So, is crucial to explore foreign markets to gain competitive advantages at this level;
- Although the financial differences between Big 3 and Small Clubs have been increasing, Futebol Clube de Arouca has been making huge sales that have been helping to be more financial sustainable. This strategy should continue;
- Most of the football fans in Portugal support one of the Big 3 clubs. However, in the municipality of Arouca most of the inhabitants is also a sympathizer of Futebol Clube de Arouca, which is a good sign for the club to increase the number of paying members.

## **WEAKNESSES AND OPPORTUNITIES**

### **How can you use your opportunities to overcome the weaknesses you are experiencing?**

- The number of people buying tickets online for sports events is increasing, and F.C. Arouca should reactivate its Website;

- The club has a lot of members that do not pay the annual membership fee. However, with the increase in the Portuguese Purchasing Power, this situation should be solved;
- Since the number of federated football players in Portugal is increasing, F.C. Arouca should take advantage of this by making compulsory that every club's player signs up as a member;
- F.C. Arouca should take advantage of the platform MyCujoo TV to observe promising players to the youth academy in order to improve its quality;
- As the number of social network users in Portugal is increasing the club should make an effort to have more proactive Facebook, Twitter and Instagram pages;
- Sign 2-year loan contracts with players from bigger clubs, and demand financial compensation if the loaning club wants to interrupt the deal before the end term;
- The road link that is going to be created in Arouca is going to be a good opportunity for fans that live outside Arouca can watch the matches;
- Make a partnership with tourism firms to promote home matches for those who are visiting Arouca.
- It should be created a partnership between the club and the sports' University of Porto to hire the most talented coaches and to develop the youth talents.

## **WEAKNESSES AND THREATS**

### **How can you minimize your weaknesses and avoid threats?**

- By activating its website F.C. Arouca will allow those who live in the region but not in the municipality of Arouca to become club's members more easily;

- The club should give importance to their social media, as F.C. Arouca is located in a very competitive region and every small detail can be important to achieve more members;
- Is difficult to have a high quality youth academy if the Big 3 Clubs retain all the Portuguese Talents. However, F.C. Arouca can focus to improve the quality of the youth team's coaches to better develop the younger players;
- F.C. Arouca is only competing in the professional leagues since 2010, which makes it difficult to be known in such a competitive region in terms of football clubs. However, their rapid ascension from the lower divisions be highlighted as it shows that the club can be capable of achieving difficult things;
- F.C. Arouca should be transparent with fans with Management regarding issues. This way they will know what is their money being used for and will be more motivated to become club's members;
- F.C. Arouca should create a magazine focused in the club but that also give importance to the other Big 3 Clubs;

Source: Developed by the VCW Team

## **Appendix 11 – Ideas after applying the Poker Method and further KDM's analysis**

1. Give the chance for a member to be on the field borders on warm up
2. Put players meeting members
3. Let members watch some training sessions
4. Billboards
5. All the football players from the club have to be members
6. Stadium Speaker doing advertisement
7. Advertising flyers
8. Half time dancers – with partnerships with Dance Academies.
9. Partnerships with Fuel Stations
10. Family Pack – discounts to families
11. Pay young people from Arouca to organize a group of fans – “*Claque*”
12. Website activation



13. Food trucks outside the stadium before the match
14. Music outside the stadium before the match
15. Beer sale outside the stadium before the match
16. Offer a gift after 5 years of being a member
17. If you become a member you receive one ticket for free
18. F.C. Arouca's employees to become members
19. Recommendation book for members
20. Partnership with Centro Juvenil Salesiano de Arouca to advertise the club
21. Partnership with the Doctor José Carlos Noronha to advertise the club
22. Partnership with Doctor João Brito to advertise the club
23. All the Futsal players of the club have to become member
24. Use humour in social networks
25. Members Day in which members could visit the stadium, watch a training session, speak with the direction.
26. New sponsors from the municipality of Arouca
27. Member Kit – offer a kit when one becomes a member
28. Partnerships with schools – distribute ticket, gain awareness
29. Young members entering home matches with the players
30. Far Away Member
31. Student's groups to the training sessions
32. If a member gets 3 fans to become member receives an annual place
33. Create calendar's with players photographs
34. Less time to become a member
35. Who attends more than 70% League Matches in a season gets an extra discount on the following season tickets
36. Video: Players and Staff promoting the club
37. Local Radio Advertising
38. Marketing department to improve social networks
39. Marketing summer trainee to create a digital marketing campaign
40. Ticket Lottery for members only
41. Create games for the members on halftime
42. Partnerships with schools – players going to the schools
43. Draw one free season ticket per season for members
44. Members with their names written in a wall
45. Environmental causes support
46. Friend Pack
47. Partnerships with restaurants – discounts for those who are F.C. Arouca members
48. Sensitize local people to the importance of F.C. Arouca for the municipality
49. Create an event for kids to show their football talent. The best get to be part of the youth teams and get free memberships for a year to parents.
50. Autographs Sessions
51. Solidarity campaigns
52. One win = Discount in Store for members
53. Appeal to the female fans by having girls in the annual team photo

54. Invite population to an event in which administration will state the club goals
55. Influencers
56. Draw a member to be part of the starting line-up photo
57. Those who live in Arouca have discount to become a member
58. Why Arouca? Campaign
59. Big matches free for members
60. Networking event
61. Friendly match: Members vs. Players
62. Organize digressions on away matches
63. Attract celebrities to watch matches
64. E-sports team creation
65. Cold Calls
66. Charity Campaign – Players visit an hospital
67. Free Member Trial
68. A percentage of the membership fee goes to social causes
69. A percentage of the annual tickets goes to social causes
70. Those who do not have possibilities to pay in cash pay in workforce
71. Offer of two months if a member pay the whole year at once
72. Offering of the number 12 jersey when becoming a member
73. Differentiated members' categories – different prices and different benefits
74. Discounts for members in local supermarkets - MeuSuper
75. Tickets Pack
76. Cheaper membership fee
77. Cheaper annual ticket

Source: Developed by the VCW Team

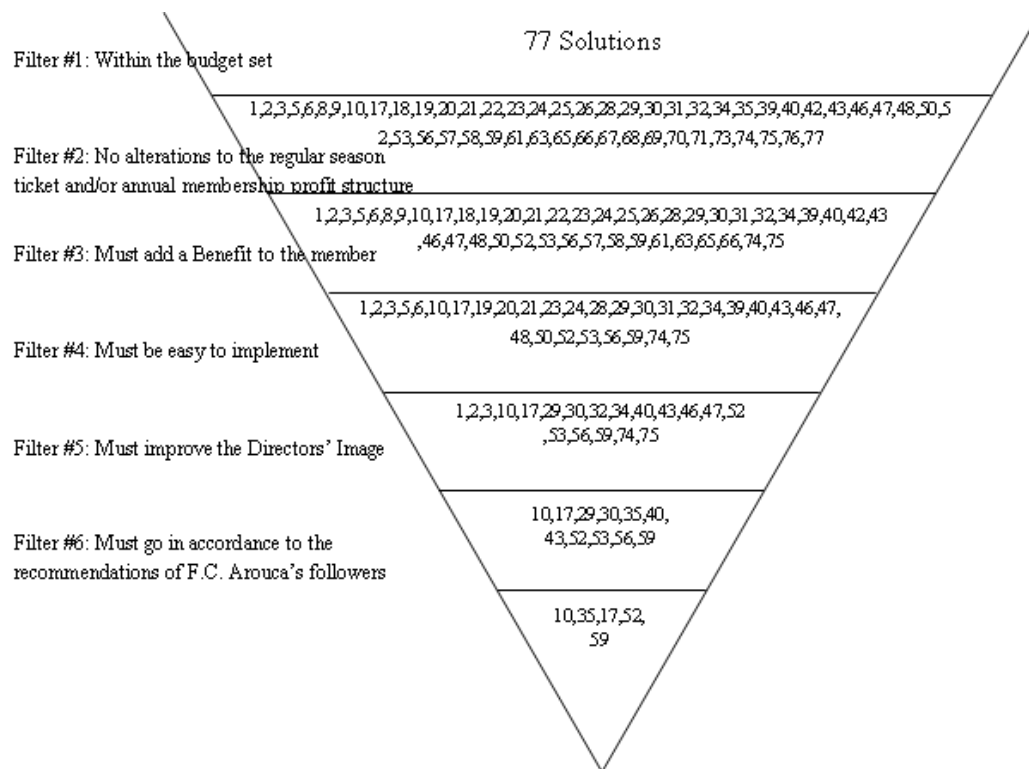
## **Appendix 12 – Selected and Ranked Filters from the most to the least important by the**

### **KDM**

1. Budget Set
2. No alterations to the regular season ticket and/or annual membership profit structure
3. Easy to implement by the club
4. Add a benefit to become a member
5. Improve actual management image
6. Survey interviewed preferences

Source: Developed by the VCW Team

## Appendix 13 – Value Creation Funnel



Source: Developed by the VCW Team

## Appendix 14 – Marketing Plan for the Family Pack

### Situation Analysis

#### 1. Understanding the club's followers – Main Pain Points

- Most of the fans do not support F.C. Arouca as first club;
- Annual membership prices are considered to be too expensive;
- Many fans are unhappy with the management direction's decisions;
- The growth of F.C. Arouca in the professional leagues distanced the club from the fans.
- Benefits of being a member are too low

#### 2. Understanding the Market Context

## SWOT Analysis

<p style="text-align: center;"><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• High Stadium Attendance in terms of percentage of the stadium's capacity occupied.</li> <li>• Only three players from the squad have a loan contract;</li> <li>• 3<sup>rd</sup> most valuable squad in the Second Portuguese Division (excluding B's squads);</li> <li>• Exploration of international markets to buy players – Brazil, England, Venezuela, Serbia, Belgium, Italy, France, Poland, Turkey and Mexico;</li> <li>• Stable administration – same president and vice-president since 2006;</li> <li>• Meteoric ascension from the non-professional leagues to the Portuguese First Division;</li> <li>• Extensive squad's length combining experienced players with younger ones;</li> <li>• High value sales in the past three seasons;</li> <li>• Most of the inhabitants of Arouca is a follower of Futebol Clube de Arouca.</li> </ul>	<p style="text-align: center;"><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• The club's website and Facebook Messenger are not working;</li> <li>• Futebol Clube de Arouca's Instagram Page is only the 23rd most followed among the 32 Portuguese professional clubs;</li> <li>• A lot of non-paying members;</li> <li>• One of the clubs in the Football Professional Leagues with the lowest number of Paying Members (600);</li> <li>• A lot of players in the last seasons left the club without F.C. Arouca receiving any financial compensation;</li> <li>• 41% of those who are followers of F.C. Arouca do not currently live in the club's municipality</li> <li>• There is no player in the squad produced by the club's youth academy;</li> <li>• No partnerships to create benefits for members</li> <li>• One of the most expensive annual membership fee</li> <li>• Only a few seasons in the professional leagues;</li> <li>• Most of the club's followers also support one of the Big 3 clubs;</li> </ul>
<p style="text-align: center;"><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Playing in the home field is an advantage for the home team;</li> <li>• Loaned players have been crucial for many teams in Portugal;</li> <li>• Most of the teams that achieved a League Promotion in the last few seasons had high squad's market value.</li> <li>• The most profitable sales of players in Portugal were of foreign.</li> <li>• Management Stability can be key to the success of a club;</li> <li>• The number of people buying tickets for sports events via online channels is increasing</li> <li>• Number of social network users in Portugal is increasing</li> <li>• The Purchasing Power of consumers in Portugal is increasing;</li> <li>• Football is the sport with more federated players in Portugal and this number has been increasing</li> <li>• Is going to be created a road link that eases the connection between Arouca and coast municipalities;</li> <li>• Mycujoo is an online platform that broadcast live games of lower football leagues</li> <li>• Tourism growing in the municipality of Arouca.</li> <li>• There are a lot of quality Portuguese coaches, who are becoming</li> </ul>	<p style="text-align: center;"><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Second Portuguese League is a very demanding, competitive and long Division.</li> <li>• It is forecasted that the differences between the "Big 3" Clubs' budget and the small clubs' budget increase in the next few years</li> <li>• The creation of B and Under-23 squads makes the task of small clubs to hire high-quality players even more difficult;</li> <li>• Arouca is located in a very concentrated region in terms of professional football clubs</li> <li>• There have been a lot of corruption cases in Portuguese football in the past few years;</li> <li>• "Big 3" clubs attract most of the talented youth players;</li> <li>• National media is focused on "Big 3" clubs;</li> </ul>

Sources: Developed by the VCW Team

## PEST Analysis to Football

<p style="text-align: center;"><b>POLITICAL</b></p> <ul style="list-style-type: none"> <li>• FPF is the entity that regulates football in Portugal and it is guided by UEFA's Licensing and Financial FairPlay Regulations.</li> <li>• The state department of Youth and Sport is the responsible for the executive policies in the area of Sports.</li> <li>• The Portuguese League of Professional Football is the entity that is entitled to organize and regulate the competitions of professional nature – Liga NOS, Liga Ledman Pro and Allianz Cup.</li> <li>• IPDJ is a public entity whose mission is to support the definition, execution and evaluation of the public policy regarding sports,</li> <li>• There are some football professional clubs in Portugal which stadium is owned by the municipality.</li> <li>• Recently, the VAT for live events has decreased to 6% (instead of 23%). However, this has not changed for football tickets which brought a lot of dissatisfaction to different football entities.</li> <li>• In 2013, the government issued a decree that said that every professional football event must have policing. In 2015, in average, each First Professional Football League club spent 2,5 million Euros.</li> <li>• Portuguese tax environment limits the power of Portuguese clubs to attract better players when compared to other countries in Europe.</li> <li>• To decrease the number of violent episodes that been happening in Portugal in the past few years the Portuguese Government approved the creation of an Authority to Prevent and Combat</li> </ul>	<p style="text-align: center;"><b>ECONOMIC</b></p> <ul style="list-style-type: none"> <li>• The average price per ticket to a football match in Portugal is among one of the highest in Europe, even surpassing Germany.</li> <li>• The total expenses of all the Portuguese Municipalities regarding sports activities have been increasing since 2015.</li> <li>• The Portuguese League of Professional Football established maximum prices of tickets sold to non-members.</li> <li>• There is a minimum monthly net salary for those who play in the Second League of Professional Football fixed in 1.75 times the Minimum Monthly Wage for Portuguese workers in general. From 2013 to 2015, the monthly average wage of a player of the First League of Professional Football, increased by almost 5%.</li> <li>• The construction of the Paiva's Footbridge in Arouca brought a lot of tourists to the region.</li> <li>• Average Monthly Salaries in Portugal are increasing since 2014.</li> <li>• According to a survey conducted by the consulting team, many of the interviewed were not members of their favourite club due to financial reasons – high prices of memberships or low/no monthly salary</li> <li>• The number of students enrolled in a university in Portugal is increasing since 2016.</li> <li>• Number of employees in the sports industry in Portugal is increasing since 2012.</li> </ul>
<p style="text-align: center;"><b>SOCIAL</b></p> <ul style="list-style-type: none"> <li>• 69% of those who are members of a football club are from one of the "Big 3" clubs.</li> <li>• Most of the people that were born in Porto is a Futebol Clube do Porto's supporter. On the other hand, most of the people that was born in Lisbon is whether a Sport Lisboa e Benfica's or Sporting Clube de Portugal's supporter.</li> <li>• Most of the Portuguese is a supporter or a follower of his/her local team</li> <li>• The most frequent reason pointed out for not being a member of the favourite club is monetary reasons.</li> <li>• The most frequent reason pointed out for not being a member of the favourite club is the not enough strong connection.</li> <li>• There is a low occupation rate of stadiums.</li> </ul>	<p style="text-align: center;"><b>TECHNOLOGICAL</b></p> <ul style="list-style-type: none"> <li>• In the season of 2017/2018 it was implemented the Video Assistant Referee in the First League of Professional Football;</li> <li>• MyCujoo is a tool implemented in the beginning of the season of 2018/2019 that intends to transmit matches from lower football divisions;</li> <li>• Football Clubs are increasing their investment in Digital Marketing in order to attract more fans and members. This has been done through active social networks and through the creation of mobile apps that allow fans to follow the team's results;</li> <li>• In some stadiums there is an online service available to order food without getting out of your seat.</li> </ul>

Sources: Developed by the VCW Team

### 3. 5S Model: Where do we want to go?

Sales	Increase the number of paying members by 200 in the season 2019/2020
Serve	Discounted prices and other benefits for Families that are members of F.C. Arouca
Speak	Media content published in Social Networks like Facebook, Twitter and Instagram informing the new conditions for families
Save	Families will want to add more members to the pack, since the higher number of people each pack has, the more advantages it offers. And so, the club will save on future marketing campaigns to attract new members.
Sizzle	F.C. Arouca will be one of the first clubs in Portugal to have a family pack. And the first to offer benefits according to the level of participation on club's events.

Source: Developed by the VCW Team

References: Chaffey, D. (2012). *eMarketing eXcellence: The heart of eBusiness*. Oxford, United Kingdom: Butterworth-Heinemann.

### 4. Segmentation, Targeting and Positioning

#### Segmentation

Relationship with Futebol Clube de Arouca	Member of F.C. Arouca	Affinity investment with F.C. Arouca	Connected but breakable relationship with F.C. Arouca	Connected but breakable relationship with one of the "Big 3" clubs	Affinity investment with one of the "Big 3" clubs	Estimated percentage of total population	Families with 4 or more member in Arouca	Men with 25 or more years of age in Arouca	Married Men in Arouca
Lovers	X	X				5.17%	3.61%	4.43%	5.78%
Supporters	X	X		X		8.05%			
Followers			X			9.77%			
Friends			X	X		9.20%			
Admirers					X	67.81%			

There is evidence building (Tapp and Clowes, 2000) that supporters will be responsive to a segmented approach. As the sport marketer has little or no control over the core product (Masteralexis, Barr, & Hums, 1998) it is important to do a focused marketing campaign to attract more members. A high number of researches have been made about segmentation in

the football business. The VCW Team decided to analyze the different personas by considering the different levels and types of loyalty that supporters and followers exhibit (Piercy, 1997).

## Targeting

The marketing campaign will target the “Followers” type of personas as they are true sympathizers of Futebol Clube de Arouca, and do not follow any other football club. They are those which are not members mainly due to financial reasons, and this membership fee reduction will be a call-to-action for them.

Also, inside the “Followers” type of personas, there will only be targeted the male parent of each family, mainly those who are still married and have two children or more. These are usually the ones that choose to sign the family members into a football club community.



## Positioning

Futebol Clube de Arouca is the biggest family in the municipality, and the best community for your family to be part of. If you follow the club and want to spend more time together, this is the perfect match, as we also want to be closer to *Arouquenses*. We offer special benefits for families who want to be part of ours!

Source: Developed by the VCW Team

References:

Tapp, A., & Clowes, J. (2000). From "carefree casuals" to "professional wanderers". *European Journal of Marketing*.

Piercy, N. (1997). *Market Led Strategic Change*. Oxford, United Kingdom: Butterworth Heinemann.

Masteralexis, L., Barr, C., & Hums, M. (1998). *Principles and Practice of Sport Management*. Sudbury, Massachusetts, United States of America: Jones and Bartlett Publishers.

## 5. Marketing Mix

### Product:

Family Pack: Consists in a pack for families (of 2 or 3 Generations) of Futebol Clube de Arouca which offers discounts in the membership fees as the main benefit. Other advantages are:

- Each member that adheres to a Family Pack receives a free ticket for a Home League Match.
- If at least four members of the Family Pack go to more than 70% of F.C. Arouca Home League Matches in a season, all the pack's associates receive two tickets for chosen Home League Matches of the following season.
- When F.C. Arouca wins a Home League Match, each pack's member that was in the stadium receives an extra discount in the club's products that day.

### Price

“2 Generations of Arouca”		
Minimum number of members	4	
Minimum number of generations	2	
Price for the 1 <sup>st</sup> Generation adults	75€ and 25€ a year each	50€ discount to the second adult
Price for the 2 <sup>nd</sup> Generation adults	37.5€ a year each	37.5€ yearly discount each
Price for the 2 <sup>nd</sup> Generation children	20€ a year each	20€ yearly discount
2 parents, 3 children	160€ a year	110€ discount a year



“3 Generations of Arouca”		
Minimum number of members	6	
Minimum number of generations	3	
Price for the 1 <sup>st</sup> Generation adults	75€ a year each	Same price
Price for the remaining adults	25€ a year each	50€ discount each
Price for the children	20€ a year each	20€ discount each
2 grandparents, 2 parents, 3 grandchildren	240€ total	140€ discount a year

### **Promotion**

The new Family Pack will be promoted either by Offline and Online Channels with the goal of reaching the maximum amount of families. Before and after the beginning of the matches the stadium’s speaker will announce the new pack for families. Also, through media content – videos and images – in Facebook, Twitter and Instagram the followers of Futebol Clube de Arouca will be informed about the new conditions and benefits available for households. The video’s description will push users to identify their loved ones, in order to create e-WOM.

### **Place**

To buy the Family Pack the associates must go to the club’s headquarters in Arouca and present documentation that proof the family relationship between the adherents’ members.

Source: Developed by the VCW Team

## **Appendix 15 – Family Pack Campaign 6M’s Framework**

### **General Level**

**Mission:** The mission is to increase the number of members of Futebol Clube de Arouca by showing that the club cares about the families of Arouca, and reconnecting the municipality’s inhabitants with the club. It intends to be set on the consideration phase of the Customer Decision Journey.

**Market:** Married men who follow Futebol Clube de Arouca and have children who are not club’s members.

**Message:** Futebol Clube de Arouca is a family, and families from Arouca should be part of it. It intends to emphasize that the club wants to reconcile with the inhabitants of Arouca, and grow with them side by side, as a family.

**Media:** Online Channels (Facebook, Twitter and Instagram), and through speaker’s advertisement in the stadium.

**Money:** This campaign will require the time of the Marketing Manager of Futebol Clube de Arouca. The budget for this campaign is very limited.

**Measurement:** KPI: Number of new paying members. Target: 200 in the season of 2019/2020.

### **Granulated Level**

**Marketing Initiative:** “We are a family, and you are part of it.”

**Mission:** Increase the number of Futebol Clube de Arouca paying members by offering a discount package for families, with many benefits. This intends also to change the image that the club’s followers have towards the Management Direction, and to reconnect the club with

Arouca's inhabitants. It intends to be set on the consideration phase of the Customer Decision Journey.

**Market:** Married men who follow Futebol Clube de Arouca and have children who are not club's members.

**Message:** It intends to emphasize that the club wants to reconcile with the inhabitants of Arouca, and grow with them side by side, as a family.

**Media:** Content published in Facebook, Twitter and Instagram informing the new conditions for Families, and through speaker's advertisement in the stadium. The digital marketing campaign should trigger word of mouth (E-Wom) by incentivizing users to identify their loved ones.

**Money:** This campaign will imply the publication of videos and images to announce the new Family Pack on social media. This will require a two month's work to the club's Marketing Manager, and the time to publish the content. The budget for this campaign is very limited.

**Measurement:** KPI: Number of new paying members. Target: 200 in the season of 2019/2020. Other performance indicators: Increase in the number of young members; Increase in the number of people in the stadium.

**Source:** Developed by the VCW Team

## **Appendix 16 – Implementation Plan**

The first two months of the project (January and February 2019) will be to adjust the campaign details with the Key Decision Makers.

In the beginning of March 2019 the Marketing Manager is entitled to create content - videos and images - to announce in a more advanced phase of the project the Family Pack Membership.

In May 2019 the campaign is put in practice with the publication of “Save the Date” posts. When the season ends the Family Pack Membership should be announced on social media using the content previously created. Posts should be regular and published after 8 p.m. to better reach the chosen target.

In the beginning of September there should be made a progressively reduction in the posts and the consequent end of the campaign, which is available until the end of the season.

## **Appendix 17 – Limitations**

The surveys conducted to understand the local fans in Portugal and to analyze Futebol Clube de Arouca’s sympathizers were created and sent via online channels and gathered 523 and 208 answers each one respectively. However, having into account that both sample size are just a very small percentage of each population there may exist errors.

The VCW Team is aware that bigger samples could have delivered more trustable results, but believes that the conclusions found are in line with the reality, in both cases.